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This bill temporarily modifies local road wetland replacement requirements under the state's Wetland Conservation Act until wetland bank credits in all wetland bank service areas are available and appropriates \$5 million from the general fund in fiscal year 2017 to the Board of Water and Soil Resources (BWSR) to acquire wetland bank credits.

Under existing law, BWSR is required to replace wetlands drained or filled for certain local public transportation projects on existing roads. Traditionally, BWSR has met this obligation by restoring, replacing, and preserving wetlands throughout the state's wetland service bank areas to provide wetland banking credits for use by the local road authorities to mitigate wetland impacts.

Currently, a number of wetland bank service areas do not have any credits for local road projects available due to the lack of funding in recent years. Generally, priority must be given for wetland replacement in the same county or wetland bank service area and replacement ratios increase when completed outside the wetland bank service area. In some areas of the state where 80 percent or less of the presettlement wetlands remain, additional restrictions governing where replacement may occur apply.

This bill would temporarily require BWSR to meet its wetland replacement obligations by allowing the use of wetland replacement credits from outside the applicable wetland bank service area if necessary.

The bill would also temporarily exempt wetland impacts resulting from certain local road projects from wetland replacement requirements provided they are authorized under a general permit issued by the United States Army Corps of Engineers under the section 404 permit program (a federal Clean Water Act program that often overlaps with state wetland replacement requirements) and compensatory mitigation is not required.